



A STUDY ON CONSUMER PREFERENCE ON PASSENGER CARS VEHICLES

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ABSTRACT

Two-wheelers, three-wheelers, passenger cars, and commercial trucks make up the bulk of the automobile business. Only Ford, Toyota, Tata Motors, Suzuki, and Volkswagen passenger cars are considered in this analysis. Ahmedabad pits the top five automakers' sedans and hatchbacks against one another. Interviews and questionnaires were conducted with a total of 100 directors, managers, and supervisors. Ahmedabad is the most popular brand, followed by Toyota, Ford, Tata, and Volkswagen, according to the report. For reasons including poor quality of the vehicle and hefty maintenance costs, customers are shifting to alternative models. The availability of financing and the presence of market segments have an impact on the supply of automobiles. Passenger car sales are influenced by a variety of factors, including rising incomes, better public transportation options, a higher literacy rate, a larger population, and more readily available credit. Various factors, such as the GST, fuel prices and the expansion of the rural market, affect the sales of passenger cars. Advertisement and the availability of financing also have a role. Luxury and comfort, engine performance, resale value, technology, environmental friendliness, price/quality, production cost, and vehicle design are all important considerations in the automobile manufacturing process. The product must be updated when market demand shifts.

KEYWORDS: Automotive Industry, Gujarat, Cars, Vehicles.

1. INTRODUCTION:

For some time, I've been curious about the history of the automobile sector in Gujarat, which hasn't been able to maintain a steady growth path since 1942. Despite possessing technology from Morris Motors, Hindustan Motors in Port Okha barely lasted for six years. In 1948, the plant was forced to be relocated to Uttarpara, West Bengal. Which is likewise now closed. The Halol Engine Plant, originally owned by HM, was acquired by GM in 1994 as a 50:50 joint venture and was eventually sold to GM in 1999, at which point it was shut down. Attempts by AMW in the commercial vehicle sector to gain the support of the Essar company began in 2002 and are presently on the market as of 2017.

In 2012 (Maruti Suzuki Case in Manesar, India), there was a labour unrest. Suzuki India Limited (MSIL) was founded in 1983 and is an incorporated company in India. Gujarat was now reached as well. A significant labour shortage forced them to rethink their plans to build and progressively relocate their operations from India to Gujarat despite being the market leader for many years. It currently has a 100% ownership in SUZUKI. Investment in the Automotive Industry in Gujarat has been the primary focus of the state's government for the past eight years, with firms like investing extensively in the sector, which accounts for 7% of GDP.

Gujarat as a Hub for Electric Cars:

There are plans for Gujarat to be a major centre for electric vehicles. Currently, the government of Gujarat is encouraging the use of electric or hybrid vehicles. These automobiles will run on batteries, which will save a significant amount of gasoline and diesel while also reducing pollution. It has signed agreements with a number of automobile manufacturers to bring electric cars to market in 2020 in order to stimulate the production of electric vehicles.

Companies from all over the world are banding together to help accomplish this goal. Suzuki is eager to bring electrified vehicles to market. Tata Motors is working to electrify its Nano model in an effort to increase Nano sales as well as compete in the rapidly growing electric vehicle market. A partnership between Ford Motor Company and Mahindra & Mahindra is also being discussed in order for Ford to enter the electric vehicle industry. (Mint)

2. LITERATURE REVIEW:

The Knight & Collier Company (2009). A collection of non-directive approaches is accepted, employed, and disposed of by corporations in management accounting. When it comes to management accounting, "dynamic capabilities" is what we're looking for. These approaches aid in the creation of novel resource configurations for businesses. The dynamic capabilities of management accounting techniques allow companies to maximise their resources. Non-Japanese automobile assemblers suffered significant costs as a result of the adoption of "target costing" for acquired materials. In the first place, dynamic capabilities in management accounting show how to deliver useful information for the improvement of practical capabilities and resources. A new model of dynamic capabilities also takes into account the interconnectedness of resources and abilities as they develop over time. Managers play a key role in leveraging internal resources by gaining access to external knowledge and putting that knowledge to use in

revising organisational procedures and developing new functional competencies. Organizational methods are infused with dynamic capacities. Management accounting is one of these practises. Thirdly, the capacity lifecycles were extended to duplicate the reasons for the decline of "dynamic managerial capabilities." New dynamic skills are hindered by a lack of physical activity, inactivity, and mental responsibility. The current case study incorporates external forces, as well as internal politics within the company. The futility of the operation has been exacerbated by a lack of knowledge about epistemic challenges, cultural differences, organisational issues, and strategic problems.

In their book, Sturgeon & Biesebroeck (2010). The authors paid particular attention to the effects of the economic crisis on emerging countries' industries. It appears that the downturn has accelerated "pre-crisis trends" toward important industry in the South. However, the proximity and communication of suppliers and leading firms are the most important impetus. Developing countries have the potential to advance up the value chain of suppliers and strengthen themselves. During the economic downturn, the near proximity of assembly and component facilities in both national and Cal production has slowed sales declines. Developing countries like Mexico, China, and India are consolidating their development strategies as their businesses grow in size and autonomy and begin to operate independently.

Jennifer & Cobbs, Inc. (2014). The ROI of corporate advertising on events, groups, and alliances is constantly changing. The results show that the level of advertising and analogical features have a significant impact on the marketed team's performance, brand publicity, and cost. Advertisers with high-performance teams and outside automotive sector partners are more likely to reap the benefits of a "surplus ROI."

3. RESEARCH OBJECTIVES:

- To assess the industry's future prospects in India and Gujarat.
- To examine consumer preference on passenger cars

4. SOURCES OF DATA:

Primary Data Research:

This was accomplished by creating a questionnaire and distributing it to a wide range of stakeholders, including the company's senior executives, dealerships, service stations, mechanics, and customers ranging in age from 20 to 60. 60:40 was the sex ratio. Those who are married and those who are unmarried from all walks of life in the communities throughout the plants. People's knowledge of the impact of industrialisation on their lives is also important.

Secondary Data:

This information was gathered from a variety of sources, including trade publications, media, interviews with stakeholders, my own observations, a literature review, the National Library, Harvard Business Review, the MIT USA library, and Indian auto periodicals.

5. DATA ANALYSIS:

1. t-test for impact of sales on passenger vehicles and other factors

Table 1: T-Test for Impact of Sales on Passenger Vehicles and Other Factors

Factors	t-test values	P value	Significance Level
Buying of cars	0.78	0.22	Insignificant
Customer Preference	0.79	0.44	Insignificant
Sales figure	0.59	0.56	Insignificant
Switch over	2.35	0.04	Significant

H0: There is no significant relationship between impact on sales of passenger vehicles, switch over, customer preference, buying of cars.

H1: There is significant relationship between impact on sales of passenger vehicles, switch over, customer preference, buying of cars.

There is no correlation between the impact of sales on passenger vehicles and the number of vehicles sold. The null hypothesis is the one that is accepted. There is a strong link between the impact of passenger vehicle sales and the switchover. The null hypothesis is the one that is accepted. Customer happiness and feedback are used to sell the most expensive autos. If customer happiness is low, the car loses market share and sales, causing customers to switch to rival brands. Car performance, servicing centres, dealer behaviour, and car features all have a role in customer happiness. Customers will switch over if any of the conditions are absent. There is no link between the influence of passenger vehicle sales and customer preferences. The null hypothesis is the one that is accepted. There is no link between the impact of sales on passenger vehicles and car purchases. The null hypothesis is the one that is accepted.

Table 2: T-Test for Factors Affect Sales of Passenger Vehicles

Factors	t-test values	P value	Significance Level
Switch over	0.31	0.76	Insignificant
Customer preference	-0.72	0.47	Insignificant
Buying of cars	-0.48	0.63	Insignificant

H0: There is no significant relationship between customer preferences, switch over, buying of cars and factors affect sales of passenger vehicles.

H1: There is significant relationship between customer preference, switch over, buying of cars and factors affect sales of passenger vehicles.

There is no link between customer preferences and factors that influence passenger vehicle sales. The null hypothesis is the one that is accepted. There is no correlation between switchover and factors that influence passenger car sales. The null hypothesis is the one that is accepted. There is no link between car purchases and the factors that influence passenger vehicle sales. The null hypothesis is the one that is accepted.

6. CONCLUSION:

Manufacturers are drawn to Gujarat, a state known for its large market and infrastructure, because of its reputation. As a result of the state of Gujarat and its infrastructure, a large number of players have already entered the market. Employees of these firms, on the other hand, will have complete access to operational data, competitive data, and consumer purchasing behaviour in the automotive industry itself. As a result, polling such personnel yields useful results. The sales of automobiles are influenced by a wide range of factors. Because the automotive sector is so vast, the researcher hasn't just looked at a particular region but also at several types of vehicles. Due to the fact that each product is affected by several factors, it is impossible to compare the effects of two items on the same factor. This study can serve as a foundation for future research that can be much larger and more precise because of the higher sample size. According to all available data, is the most popular brand in the Indian market. As a huge response to the brands of, no other competitor can approach that level in the near future. Several factors are attributed to the rise of the automobile. Since it has a high capacity, the selection of things it offers is broad and the prices are low. More than half of the market share is due to Suzuki's ability to offer a reliable, technologically advanced product at a reasonable price.

The best-selling automobiles Ahmedabad residents choose the Alto and Dezire because of their affordable prices, ample interior seating for a family of four or five, and appropriate size for navigating the city's congested traffic and limited parking. Small cars are popular with middle-class families since they are affordable. Competition for tiny sedans has been fierce due to this, and manufacturers with cost-effective options have taken up the market. Tata is a household name synonymous with high quality. The production costs of these cars will continue to rise because of their low operational costs. By failing to meet their quality standards, Tata's low-cost automobile project was a failure. As a result, low-priced, low-quality cars with the moniker "cheap car" will have no market in India, either. Cars' features were adequate for the price, but the market was unwilling to include a low-priced product in its offerings. Tata's other models have fewer buy-

ers because they are more expensive. With its luxurious interior, this car is well-suited to the wealthy and well-off, but those in lower socioeconomic brackets would prefer a more affordable vehicle with comparable features. Why would someone pay a premium amount for a low-quality car when there are better options? Tata and Tata have the most plant capacity in Gujarat. With 40% use, is the most utilised of the three. The capacity is still available, so if necessary, the company can lower the price of its vehicles in the future. All businesses have idle resources waiting to be put to use. These companies are capable of snatching up any new ideas or benefits that come their way. Only 20% of Tata's capacity is utilised, while the rest is unused. Other businesses barely utilise 10-20% of their available capacity. There are a lot of untapped resources in the Gujarat automobile sector, which adds to its delayed growth. A beneficial side effect of this is the ability of these corporations to develop new items anytime their research and development abilities allow them to come up with a new product that fulfils all of their customers' needs.

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